

Arjun Vasan
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12615 193rd Street
Cerritos, CA 90703
562-900-6541
Plaintiff in Pro Per

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

Arjun Vasan,
Plaintiff and Counter-Defendant

vs.

Checkmate.com, Inc.,
(dba "Checkmate"),
Defendant and Counterclaimant

Case No.: 2:25-cv-00765-MEMF-ASx
Hon. Maame Ewusi-Mensah Frimpong

**DECLARATION OF ARJUN VASAN IN
SUPPORT OF PLAINTIFF'S MOTION
FOR SANCTIONS UNDER FED. R. CIV.
P. 11, 28 U.S.C. § 1927 AND THE
COURT'S INHERENT POWERS**

Complaint Filed: January 28, 2025
Hearing Date: January 8, 2026
Hearing Time: 10:00 A.M.
Courtroom: 8B

I, ARJUN VASAN, declare:

1. I am the Plaintiff in this action. I submit this declaration in support of my Motion for Sanctions under Rule 11, 28 U.S.C. § 1927 and the Court's Inherent Powers. I have personal knowledge of the facts herein and could and would testify competently thereto.
2. On October 22, 2025, I served a safe harbor notice, attaching my motion, on Checkmate counsel Ryan Q. Keech, Rebecca Makitalo, Stacey Chiu and Jacob Winningham. Minor changes have been made; but the grounds and relief sought are substantively the same.

3. I followed up on Oct. 26 and again on Oct. 29, seeking to confer on the motion. Counsel never responded, and as of this filing, the contested allegations have not been withdrawn or modified. Appendix A contains true and correct copies of the safe harbor notice sent via email and the attached motion. The full email thread is included.
4. I have spent the past several years building and leading voice AI technology startups. But instead of pursuing that work, I have now spent the better part of a year contesting claims that are contradicted by the claimant's own documents and, in my view, lack any factual basis. These claims have occupied two federal courts (and one state court), resulting not just in personal harm, but a diversion of judicial resources; and further risk a chilling effect on founders and employees who push back on misconduct or insist that contractual and statutory rights are honored. I respectfully submit meaningful, deterrent sanctions are necessary to signal that this is not an acceptable approach to litigation.
5. These claims have turned what would have been a hard-fought wage and breach action, but one that could have been contested on a part-time basis, into a full-time endeavor.
6. I would have litigated on a part-time basis and pursued employment or a new venture if not for these fraud claims, which accuse me of running a "scam" for "millions of dollars in ill-gotten gains," and "duping" Checkmate into acquiring a "valueless non-asset."
7. These inflammatory allegations are easily found by anyone who searches my name and would require an explanation to prospective employer or investors. As a result, I have reasonably chosen not to risk new opportunities while these claims remain pending.
8. Checkmate's litigation strategy has delayed adjudication of my affirmative claims by, conservatively, at least six months—and risk further such delay.
9. Prior to this litigation, I earned \$24,000/month in salary at Checkmate, not counting the substantial unpaid bonuses that form the core of my wage claims. If fully paid, my 2024 income would have topped \$700k—in line with the years prior to Checkmate.
10. As a *pro se* party, I understand I am not entitled to compensation for time spent due to sanctionable misconduct. I submit these figures to emphasize that the matters addressed in my motion have had a substantial material cost in lost income and opportunities.

1 11. While I have not kept detailed time-records during litigation, I conservatively estimate
2 that I have spent upwards of 250 hours split across the New York action and this one,
3 dealing only with the counterclaims (previously New York complaint).

4 12. Checkmate counsel has previously provided rates of \$800-1000/hour in requesting fees
5 and recently estimated \$15,000 in bringing a counterclaim-related discovery motion.

6 13. Using a conservative figure of \$500/hour for Los Angeles based representation, and
7 counting estimated time spent in the C.D. Cal. action (conservatively at 100 hours over
8 my Motion to Dismiss, this Motion for Sanctions and counterclaim-related discovery), a
9 fair estimate for costs—if I were represented—would be \$50,000. Payable to the Clerk,
10 this number would achieve a reasonable deterrent effect without being overly punitive.

11 14. *I declare under the penalty of perjury of the Laws of the United States of America that the*
12 *foregoing statements are true and correct.*

13
14 **Executed on:** November 17, 2025

/s/ Arjun Vasan

15
16 **In Cerritos, California**

Arjun Vasan, Plaintiff In Pro Per

APPENDIX A

Safe Harbor Notice;
Memorandum;
Meet and Confer Attempt;
and Contested Allegations



Arjun Vasan <arjun.vasan@gmail.com>

Arjun Vasan v. Checkmate.com, Inc. - 2:25-cv-00765-MEMF-ASx - Rule 11 Safe Harbor Notice

3 messages

Arjun Vasan <arjun.vasan@gmail.com>

Wed, Oct 22, 2025 at 12:41 AM

To: "Keech, Ryan Q." <ryan.keeche@klgates.com>, "Chiu, Stacey G." <Stacey.Chiu@klgates.com>, "Makitalo, Rebecca I." <Rebecca.Makitalo@klgates.com>, "Winningham, Jacob R." <Jacob.Winningham@klgates.com>

Counsel,










Pursuant to Fed. R. Civ. P. 11(c)(2), I am serving (not filing) the attached Plaintiff's Motion for Sanctions (with exhibits) directed to counterclaim contentions that (i) misuse settlement communications to prove liability/amount (FRE 408, 11(b)(2)), (ii) mischaracterize the Feb. 7 Holder-Rep response letter and miscast it as my personal "admission" (FRE 801(d)(2) failure), (iii) misquote/withhold contractual language in violation of Rule 11(b)(3)'s reasonable-inquiry requirement; (iv) crossed the *Flatley* line with extortionate demand letters leveraged to procure "admissions" (Rule 11(b)(1), Penal Code §§ 518–519).

If, by 5:00PM, Wednesday, November 12, 2025, Checkmate withdraws its counterclaims or amends to remove the allegations in Exhibit F, I will not file the motion.

Best regards,

Arjun Vasan

562-900-6541 | arjun.vasan@gmail.com**9 attachments**

-  **Notice and Motion for Sanctions.pdf**
657K
-  **Exhibit E - Nessler Declaration.pdf**
684K
-  **Exhibit A - Warns Declaration, IPAA, IPAL.pdf**
793K
-  **Exhibit C - Agarwal Decl., Bonus Agreement, Offer Letter, Lunchbox Emails.pdf**
5552K
-  **Exhibit B - Jan 29 Notice, Feb 7 Response (FINAL).pdf**
2218K
-  **Exhibit D - Settlement Outreach, Notices of Claim, Document Requests.pdf**
4139K
-  **Exhibit F - Allegation to Source Map Flat.pdf**
722K
-  **Exhibit G - Ethics Complaint and Charles Tea Formal Response (FINAL) copy.pdf**
3124K
-  **Exhibit K - Zoom Transcript copy.pdf**
6194K

Arjun Vasan <arjun.vasan@gmail.com>

Sun, Oct 26, 2025 at 7:40 AM

To: "Keech, Ryan Q." <ryan.keeche@klgates.com>, "Chiu, Stacey G." <Stacey.Chiu@klgates.com>, "Makitalo, Rebecca I." <Rebecca.Makitalo@klgates.com>, "Winningham, Jacob R." <Jacob.Winningham@klgates.com>

Counsel,

Please see the attached corrected Exhibit F. This is a **courtesy update only**; it does not modify or supersede the Rule 11

motion I previously served, and it does not alter the November 12, 2025, 5:00 p.m. PT expiration of the safe-harbor period.

For the avoidance of doubt, the Ninth Circuit does not require the filed Rule 11 motion to be word-for-word identical to the served version; safe harbor is satisfied so long as the grounds and relief remain substantially the same and no prejudice results. The corrected Exhibit F simply clarifies the same paragraph mapping; it does not add grounds or change the requested relief. Withdrawing the listed allegations (whether as mapped in the earlier Exhibit F or this corrected one) would, as a practical matter, withdraw most of the counterclaims.

As before, I will not file if, by 5:00 p.m. PT on November 12, 2025, Checkmate:

1. Withdraws the counterclaims; or
2. Withdraws/Disavows CC ¶¶ 1, 4, 5, 6, 28, 29, 30, 31, 32, 33, 34, 35, 60 and the bullet-point "representations" in ¶¶ 59 and 65 (as itemized in Ex. F), or stipulates to strike them.

Please confirm by filing either (a) a short Notice of Disavowal, or (b) a stipulation to strike. Either approach cures Rule 11 without a Rule 15 amendment.

Best regards,

Arjun Vasan

[Quoted text hidden]



Exhibit F - Allegation to Source Map.pdf

143K

Arjun Vasan <arjun.vasan@gmail.com>

Wed, Oct 29, 2025 at 10:11 PM

To: "Keech, Ryan Q." <ryan.keeche@klgates.com>, "Chiu, Stacey G." <Stacey.Chiu@klgates.com>, "Makitalo, Rebecca I." <Rebecca.Makitalo@klgates.com>, "Winningham, Jacob R." <Jacob.Winningham@klgates.com>

Counsel,

Please confirm one of the following times next week to meet and confer on this motion: Tuesday at 10AM, Wednesday at 11AM or Friday at 10AM. If none work, please provide an alternate time that works for Checkmate. If no confirmation or alternative provided, I will attach this email thread as my L.R. 7-3 certification for the motion.

Best regards,

Arjun Vasan

[Quoted text hidden]

Arjun Vasan
arjun.vasan@gmail.com
12615 193rd Street
Cerritos, CA 90703
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Plaintiff in Pro Per

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

Arjun Vasan,
Plaintiff and Counter-Defendant

vs.

Checkmate.com, Inc.,
(dba "Checkmate"),
Defendant and Counterclaimant

Case No.: 2:25-cv-00765-MEMF-JPR
Hon. Maame Ewusi-Mensah Frimpong

**PLAINTIFF'S NOTICE OF MOTION AND
MOTION FOR SANCTIONS UNDER FED.
R. CIV. P. 11, 28 U.S.C. § 1927 AND THE
COURT'S INHERENT POWERS;
MEMORANDUM OF POINTS AND
AUTHORITIES**

Complaint Filed: January 28, 2025
Hearing Date: ----
Hearing Time: ----
Courtroom: 8B

TO THE HONORABLE COURT, ALL PARTIES AND COUNSEL OF RECORD:

PLEASE TAKE NOTICE that on [hearing date] at [time] or as soon thereafter as the
matter may be heard in Courtroom 8B of the above-entitled Court, located at 350 West First
Street, Los Angeles, CA 90012, Plaintiff Arjun Vasan ("AV") will and hereby does move the

1 Court for sanctions against Defendant Checkmate.com, Inc. (“Checkmate”) and its counsel under
2 Federal Rule of Civil Procedure 11, 28 U.S.C. § 1927, and the Court’s inherent authority.

3 The motion is based on: Checkmate (1) filing Counterclaims (CCs) that lack evidentiary
4 support and contradict incorporated documents (Rule 11(b)(3)); (2) leveraging coercive demand
5 letters to harass and provoke “admissions” (Rule 11(b)(1)); (3) supporting merits elements with
6 settlement-context communications as barred by Rule 408 (Rule 11(b)(2)); (4) unreasonable and
7 vexatious multiplication of proceedings by counsel (28 U.S.C. § 1927); and (4) bad-faith
8 litigation tactics warranting inherent-power sanctions.

9 AV respectfully requests that the Court: (i) dismiss the Counterclaims with prejudice, or,
10 at minimum, strike all allegations that rely on settlement communications or misstate contracts or
11 party-opponent statements; (ii) if leave to amend is permitted, require any amended pleading to
12 remove all Rule 408-barred matter and to quote the contracts verbatim with pinpoint citations,
13 attaching the complete agreements and source documents for any purported party-opponent
14 statements; (iii) impose a monetary penalty payable to the Clerk sufficient to deter repetition and
15 award AV his non-attorney, out-of-pocket costs causally tied to the violations; (iv) issue a
16 written corrective admonition; (v) for a defined period, require that any future complaint or
17 counterclaim on the same nucleus of facts append the Court’s admonition and include a Rule
18 11(b) certification (or, in the alternative, preclude re-assertion of the stricken allegations absent
19 leave of Court upon a detailed proffer); and (vi) grant such further relief under § 1927 and the
20 inherent power as the Court deems just and proper, consistent with Rule 11(c)(5).

21 Why this Motion is proper, necessary and not “duplicative briefing”.

22 Rule 11 serves a different function than Rule 12: **deterrence**, not merits adjudication. It
23 must be brought by a separate, safe-harbored motion, so some factual background will naturally
24 overlap with the pending Rule 12(b)(6) briefing; but the record and relief are distinct. A 12(b)(6)
25 motion confines the Court to the pleadings, incorporated materials, and judicially noticeable
26 facts; a Rule 11 motion is a collateral proceeding in which the Court may consider declarations
27 and exhibits and weigh questions of fact to assess the reasonableness of inquiry and tenability of
28 legal contentions. This motion is also not a summary-judgment proxy: Rule 56 tests triable facts,

1 whereas here, AV targets litigation conduct—extortionate demand letters, settlement snippets
2 used in violation of FRE 208 and misattribution/misquotations—issues collateral to the merits.
3 The Rule 12 motion seeks dismissal; this motion seeks deterrent/punitive sanctions for bad faith
4 and violations of Rule 11(b) under Rule 11(c), 28 U.S.C. § 1927 and the Court’s inherent power.

5 If the Court resolves the pending Motion to Dismiss before this motion is filed (due to
6 Rule 11’s 21-day safe-harbor), AV requests that the Court (a) exercise its inherent power and/or
7 § 1927 authority to issue appropriate sanctions on the existing record; and (b) alternatively, issue
8 an Order to Show Cause under Rule 11(c)(3) to address the misconduct identified herein. The
9 Supreme Court and Ninth Circuit recognize ancillary jurisdiction to adjudicate sanctions even
10 after merits disposition. See, e.g., *Cooter & Gell v. Hartmarx Corp.*, 496 U.S. 384, 395–98
11 (1990) (Rule 11), *Willy v. Coastal Corp.*, 503 U.S. 131, 137–39 (1992) (Rule 11/inherent power),
12 *Chambers v. NASCO, Inc.*, 501 U.S. 32, 44–46 (1991) (inherent power).

13 If the Court rules on the MTD after this motion is filed but before it is heard, AV requests
14 that the Court retain and exercise jurisdiction to decide this motion (or convert it to an OSC
15 under Rule 11(c)(3)) and/or impose § 1927/inherent-power sanctions as warranted by the record.
16 See *Goodyear Tire & Rubber Co. v. Haeger*, 581 U.S. 101, 108–10 (2017) (scope of inherent-
17 power sanctions); *Fink v. Gomez*, 239 F.3d 989, 992–94 (9th Cir. 2001) (bad faith or reckless
18 conduct with improper purpose supports inherent-power sanctions). Upon finding bad faith, the
19 Court may convert any dismissal to with prejudice as a sanction. See *Anheuser–Busch, Inc. v.*
20 *Natural Beverage Distributors*, 69 F.3d 337, 348 (9th Cir. 1995)

21 Rule 11(c)(2) Certification. On October 21, 2025, AV served on Checkmate’s counsel a
22 copy of this motion and all supporting papers pursuant to Fed. R. Civ. P. 11(c)(2). More than 21
23 days have elapsed, and the challenged allegations were not withdrawn or corrected.

24 Local Rule 7-3 Statement. This motion is made following the conference of the parties
25 pursuant to C.D. Cal. L.R. 7-3, which took place on [meet-and-confer date].

26 This motion is based upon this Notice; the accompanying Memorandum; the Declarations
27 and Exhibits (including Ex. F itemizing the challenged allegations); the pleadings and records on
28 file; and such further evidence and argument as may be presented at the hearing.

TABLE OF CONTENTS

TABLE OF CONTENTSIV

TABLE OF AUTHORITIESIV

MEMORANDUM OF POINTS AND AUTHORITIES..... 1

I. INTRODUCTION 1

II. BACKGROUND 1

III. STANDARDS..... 3

IV. ARGUMENT..... 6

A. *Checkmate’s “Notices” Are Extortion as a Matter of Law—and Evidence of Improper Purpose under 11(b)(1) and Vexatious Multiplication under § 1927*..... 6

B. *Withholding and Misstatement of Contracts Confirms Bad Faith*..... 8

C. *Use of Settlement Correspondence Violates 11(b)(2) and FRE 408* 10

D. *Selective Quotation and Paraphrasing Violate 11(b)(3) and FRE 106*..... 11

E. *The Court Should Impose Punitive and Deterrent Sanctions* 15

V. CONCLUSION..... 17

TABLE OF AUTHORITIES

CASES

Aveta Inc. v. Bengoa,

C.A. No. 3598-VCL (Del. Ch. Aug. 13, 2010)..... 14

Beech Aircraft Corp. v. Rainey,

488 U.S. 153, 171–72 (1988)..... 4, 14

Cassino v. Reichhold Chems., Inc.,

817 F.2d 1338, 1342 (9th Cir. 1987) 5

Chambers v. NASCO, Inc.,

501 U.S. 32, 45–46 (1991)..... 4, 15

1	<i>Christian v. Mattel, Inc.,</i>	
2	286 F.3d 1118, 1127 (9th Cir. 2002)	10, 15
3	<i>Cooter & Gell v. Hartmarx Corp.,</i>	
4	496 U.S. 384, 393 (1990).....	3, 15
5	<i>Diaz v. Prof'l Cmty. Mgmt., Inc.,</i>	
6	16 Cal. App. 5th 1190, 1216–18 (2017)	16
7	<i>Fink v. Gomez,</i>	
8	239 F.3d 989, 992-94 (9th Cir. 2001)	4, 15
9	<i>Flatley v. Mauro,</i>	
10	39 Cal. 4th 299, 326 (2006)	4, 6
11	<i>Fortis Advisors LLC v. Allergan W.C. Holding Inc.,</i>	
12	C.A. No. 2019-0159-MTZ, at 7 (Del. Ch. May 14, 2020).....	14
13	<i>Goodyear Tire & Rubber Co. v. Haeger,</i>	
14	581 U.S. 101, 108–13 (2017).....	15
15	<i>In re Keegan Mgmt. Co., Sec. Litig.,</i>	
16	78 F.3d 431, 436 (9th Cir. 1996)	4, 15
17	<i>Malin v. Singer,</i>	
18	217 Cal. App. 4th 1283 (2013)	7
19	<i>Mendoza v. Hamzeh,</i>	
20	215 Cal. App. 4th 799, 806 (2013)	4, 6
21	<i>New Alaska Dev. Corp. v. Guetschow,</i>	
22	869 F.2d 1298, 1306 (9th Cir. 1989)	15
23	<i>New W. Film Prods., Inc. v. Gaiman,</i>	
24	963 F.3d 918, 933 (9th Cir. 2020)	4
25	<i>Old Chief v. United States,</i>	
26	519 U.S. 172, 180–82 (1997).....	5
27	<i>People v. Arias,</i>	
28	13 Cal. 4th 92, 156 (1996)	14

1	<i>People v. Asta,</i>	
2	251 Cal. App. 2d 64, 87 (1967)	4, 6
3	<i>People v. Combs,</i>	
4	34 Cal. 4th 821, 842–43 (2004)	13
5	<i>People v. Pride,</i>	
6	3 Cal. 4th 195, 235 (1992)	14
7	<i>People v. Riel,</i>	
8	22 Cal. 4th 1153, 1189–90 (2000)	13
9	<i>People v. Sanders,</i>	
10	188 Cal. 744, 749–50 (1922)	7
11	<i>Rhoades v. Avon Prods., Inc.,</i>	
12	504 F.3d 1151, 1161–62 (9th Cir. 2007)	5, 10, 13
13	<i>Roadway Exp., Inc. v. Piper,</i>	
14	447 U.S. 752, 764 (1980).....	4, 15
15	<i>Sea–Land Serv., Inc. v. Lozen Int’l, LLC,</i>	
16	285 F.3d 808, 821 (9th Cir. 2002)	13
17	<i>Stenehjem v. Sareen,</i>	
18	226 Cal. App. 4th 1405, 1423 (2014)	4, 6
19	<i>Townsend v. Holman Consulting Corp.,</i>	
20	929 F.2d 1358, 1362 (9th Cir. 1990) (en banc)	3, 10
21	<i>Transbay Auto Serv., Inc. v. Chevron U.S.A. Inc.,</i>	
22	807 F.3d 1113, 1120–22 (9th Cir. 2015)	13
23	<i>United States v. Safavian,</i>	
24	435 F. Supp. 2d 36, 43–44 (D.D.C. 2006)	13
25	<i>United States v. Vallejos,</i>	
26	742 F.3d 902, 905 (9th Cir. 2014) (cleaned up).....	14
27	<i>Weil v. Citizens Telecom Servs. Co., LLC,</i>	
28	922 F.3d 993, 999–1000 (9th Cir. 2019)	13

INDEX OF REFERENCED EXHIBITS

Merger Agreement (MA)	Dkt. 94-2; “MA”	CCs ¶¶ 15, 60;
Warns Declaration	Exhibit A-1;	Authenticates IPAA and IPAL
Assignment of IP/Assets ..	Exhibit A-2; “IPAA”	CCs ¶¶ 15, 18, 40-45;
IP Acknowledgment Letter	Exhibit A-3; “IPAL”	CCs ¶¶ 15, 18, 39, 41-45;
Agarwal Declaration	Exhibit C-1;	Auths Bonus Agmt., Offer Letter
Bonus Agreement	Exhibit C-2; “BA”	CCs ¶ 71, 73;
Offer Letter	Exhibit C-3; “OL”	CCs ¶ 71, 73;
Lunchbox Emails	Exhibit C-4.	CCs ¶¶ 7, 23, 52;
Jan 29, 2025, Notice; Feb 7 Shareholder Response	Exhibit B-2, B-3	CCs ¶¶ 33-34; Jan 29 Notice; Feb 7 Response by Grant Thomas
Dec 6, 2024, and Jan 22, 2025, Notices of Claim	Exhibit D-1 to D-5;	CCs ¶¶ 1, 5-7, 24-32; threats of criminal referral and responses re settlement
Nessler Declaration	Exhibit E;	Confirms Jan 29 Notice/Feb 7 Response; Non-payment of bonuses;
Allegation-Source Map	Exhibit F;	CCs paragraphs mapped to sources.
Zoom Transcript, Screenshots and Summary	Exhibit K-1 to K-3;	Termination Meeting Transcript, Fathom screenshots and AI summary
Ethics Complaint	Exhibit G-1 to G-3	Ethics allegations served on KL Gates and General Counsel response

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

This motion concerns a pattern of litigation conduct that no reasonable attorney could view as proper. Defendant Checkmate.com, Inc. (“Checkmate”) and its counsel advanced factual allegations contradicted by the contracts they withheld, misused settlement correspondence as “admissions,” and built their counterclaims (CCs) on demand letters that California classifies as extortion as a matter of law. Together, these acts reveal violations of Rules 11(b)(1) (improper purpose), 11(b)(2) (legally untenable theory), and 11(b)(3) (lacking evidentiary support), as well as 28 U.S.C. § 1927 and warrant using the Court’s inherent power to sanction misconduct.

Checkmate’s campaign began not in court but in a series of coercive “Notices of Claim” that threatened criminal referral and injunctive action unless Plaintiff Arjun Vasani (“AV”) paid purported merger expenses and submitted to interrogation—while concurrently withholding his signed contracts and unpaid wages. These notices misrepresent withheld agreements, mislead by selective quotation and use wrongful threats to force AV to address representations he never made. Having coerced “responses” under false pretenses, Checkmate repurposed clear settlement correspondence in violation of Rule 408 as admissions of fraud, intent, and scienter.

The result is a pleading built on threats, omissions, and distortions, not evidence. Such tactics undermine the integrity of these proceedings and exemplify conduct that Rule 11, § 1927, and the Court’s inherent powers are designed to deter. As AV proceeds *pro se*, fee-shifting fails to achieve deterrence; the appropriate sanction is dismissal of the CCs with prejudice, striking of offending allegations, a corrective admonition and penalty payable to the Clerk to reinforce the duty of candor, and to compensate the Court for the burden imposed by the misconduct at issue.

II. BACKGROUND

On May 1, 2024, AV begins employment at Checkmate, with guaranteed bonuses and severance negotiated as part of its “acqui hire” of VoiceBite—a pre-revenue Voice AI startup cofounded with Robert Nessler and Christopher Lam. The parties executed the Merger Agreement (MA, Dkt. 94-1), Offer Letter (OL, Ex. C-3), Bonus Agreement (BA, Ex. C-2), Non-Competition Agreement (NCA, Dkt. 94-2), IP Acknowledgement (IPAL, allegedly between AV

1 and Checkmate, but addresses Mr. Lam, Ex. A-2), Assignment of IP and Other Assets (IPAA,
2 allegedly between VoiceBite and AV, Ex. A-1). AV disputes the validity and/or enforceability of
3 the NCA, IPAA and IPAL in his Motion to Dismiss CCs (MTD, Dkt. 81, 97-2, 97-4, 98 (reply)).

4 On Nov. 14, 2024, AV was terminated during medical leave and subsequently requested
5 payment of earned and unpaid compensation, which he termed expressly as a settlement offer—
6 language used by Checkmate during his termination in claiming it would propose an offer shortly
7 after the meeting. See Ex. K (zoom transcript). As Checkmate did not do so, AV himself took the
8 initiative with an offer along the lines of his contracts on Nov. 20. AV had no obligation to sign a
9 release or “settle” to receive already vested bonuses and guaranteed severance. See Ex. D-1.

10 On Dec. 6, 2024, Checkmate responded, escalating with a “Notice of Claim” purportedly
11 under the indemnity provisions of the Merger Agreement—alleging “criminal misconduct” and
12 demanding AV “immediately reimburse” the “out of pocket costs” of the Merger. Checkmate
13 expressly details AV’s settlement offer before rejecting it. On Dec. 20, AV formally responds
14 and requests his signed contracts and personnel file citing California law. Exs. D-2, D-3.

15 On Jan. 22, 2025, Checkmate sent a second Notice, threatening to “litigate” “criminal
16 liability” and to seek to enjoin lawful work unless AV responded with a “detailed explanation”
17 and include “supporting evidence”, in which case it was “open to resolution”. See Ex. D-4.

18 On Jan. 28, 2025, AV files the instant action, later amended Feb. 21, 2025. See Dkt. 10.

19 On Jan. 29, 2025, AV sent an ethics complaint to K&L Gates LLP, noting the coercive
20 nature of the “notices”. The same day, Checkmate sent a third Notice, this time served on Robert
21 Nessler, as the designated Holder Representative pursuant to MA § 9.1. The Notice claimed an
22 unsubstantiated “over \$5 million” in damages, with \$1.68 million accounted for by forfeiture of
23 the founders’ earned retention bonuses and merger equity. See Exs. B-2, B-3, E.

24 On Feb. 7, 2025, Mr. Nessler responds to the Notice (for the team), via counsel Grant
25 Thomas; distinguishing functional artifacts exhibited in the notices/CCs from VoiceBite’s IP.

26 On Feb. 14, 2025, Checkmate files a complaint in New York State Supreme Court, which
27 is substantially a verbatim precursor to its operative counterclaims. This is later removed to the
28 Southern District of New York (SDNY) by AV on April 12 (Case No. 1:25-cv-03181-JMF).

1 On **May 12, 2025**, Checkmate amends its SDNY complaint in response to AV’s motion
2 to quash. The allegations at issue remained verbatim. See **SDNY ECF No. 21**.

3 On **July 10, 2025**, after full briefing on AV’s motion to dismiss in SDNY, Checkmate
4 voluntarily dismisses brings its claims as counterclaims in this instant action. See **Dkt. 71**.

5 On **July 25, 2025**, AV files for post-dismissal sanctions in SDNY, challenging the notion
6 that Checkmate “paid millions of dollars for code that AV confessed was a valueless non-asset”
7 as lacking any evidentiary basis, contradicted by the record and filed for an improper purpose.
8 Mr. Nessler integrates the record evidence in a supporting declaration. **SDNY ECF No. 58**.

9 On **Aug. 8, 2025**, Checkmate opposes the sanctions motion—declining to address either
10 issue—instead cross-moving for sanctions citing heated litigation emails.¹ **SDNY ECF No. 59**.

11 On **Aug. 15, 2025**, AV moves to dismiss the CCs (MTD) in CD Cal. See **Dkt. 81, 97, 98**.

12 On **Sep. 1, 2025**, AV files a reply/opposition to Checkmate’s opposition/cross-motion,
13 corroborating the Nessler Declaration with on-record evidence. See **SDNY ECF No. 66**.

14 On **Sep. 8, 2025**, Checkmate’s SDNY reply again declines to address the merits of AV’s
15 arguments or the Nessler Declaration. See **SDNY ECF No. 67**.

16 On **Sep. 18, 2025**, Checkmate files an unauthorized and untimely opposition to the MTD
17 —20 days after the deadline per the Court’s standing order. See **Dkt. 95**.

18 On **Sep. 24, 2025**, AV’s Reply ISO his MTD attaches the contracts Checkmate withheld,
19 and organizes evidence referenced by the CCs. See **Dkt. 97 (reply)/98 (errata)**.

20 **III. STANDARDS**

21 **A. Rule 11, 28 U.S.C. § 1927 and the Court’s Inherent Power**

22
23
24 ¹ In its response to AV’s post-dismissal sanctions motion in SDNY, Checkmate declined to address the merits of AV’s
25 motion (and attached Nessler Declaration), and instead cross-moved for sanctions for heated emails to counsel. AV
26 anticipates Checkmate may do the same here—and suggests the Court disregard any such misdirection. While AV
27 regrets the tone of certain emails, they were informal, private communications, not filings with the Court within the
28 scope of Rule 11. More importantly, they were a direct, frustrated response to the very misconduct alleged in this
motion—manufacturing of claims via extortionate tactics and misuse of settlement communications. Checkmate’s cross-
motion argued that the emails showed improper purpose in bringing that sanctions motion and therefore sanctionable.
But here (and there), a proper purpose is clear: without these actions, Checkmate clearly fails to state fraud/breach
claims that, until resolved, impede AV’s personal and professional life. Moreover, the CCs represent an ongoing attempt
to frustrate AV’s pursuit of his affirmative wage claims—which are prioritized under California public policy.

1 **Fed. R. Civ. P. Rule 11** imposes a duty on attorneys to certify that they have conducted a
2 reasonable inquiry and determined that court-filings are factually grounded (11(b)(3)), legally
3 tenable (11(b)(2)) and not interposed for an improper purpose (11(b)(1)). See *Cooter & Gell v.*
4 *Hartmarx Corp.*, 496 U.S. 384, 393 (1990). The standard is objective reasonableness: whether a
5 “reasonable attorney of ordinary competence” would have concluded that the pleading was well-
6 founded. *Townsend v. Holman Consulting Corp.*, 929 F.2d 1358, 1362 (9th Cir. 1990) (en banc).

7 **28 U.S.C. § 1927** authorizes a court to sanction an attorney who “multiplies the
8 proceedings in any case unreasonably and vexatiously.” Sanctions under § 1927 require a finding
9 of subjective bad faith. *New W. Film Prods., Inc. v. Gaiman*, 963 F.3d 918, 933 (9th Cir. 2020).
10 Bad faith is present when an attorney “knowingly or recklessly raises a frivolous argument.” *In*
11 *re Keegan Mgmt. Co., Sec. Litig.*, 78 F.3d 431, 436 (9th Cir. 1996).

12 **Finally, a court has the inherent power** to “protect[] the due and orderly administration
13 of justice and in maintaining the authority and dignity of the court.” and sanction a party or
14 attorney who has acted “in bad faith, vexatiously, wantonly, or for oppressive reasons.”
15 *Chambers v. NASCO, Inc.*, 501 U.S. 32, 45–46 (1991); *Roadway Exp., Inc. v. Piper*, 447 U.S.
16 752, 764 (1980). A specific finding of bad faith, which includes “a broad range of willful
17 improper conduct,” is required. *Fink v. Gomez*, 239 F.3d 989, 992-94 (9th Cir. 2001).

18 **B. Exceptions to Litigation Privilege**

19 California's litigation privilege, though broad, does not shield communications that
20 constitute extortion as a matter of law. *Flatley v. Mauro*, 39 Cal. 4th 299, 326 (2006). A threat is
21 extortionate when it is used to wrongfully obtain concessions through fear, such as a threat to
22 accuse the individual of a crime. See Cal. Penal Code §§ 518, 519; *Mendoza v. Hamzeh*, 215 Cal.
23 App. 4th 799, 806 (2013) (extortion where a letter threatened to report alleged crimes unless
24 payment was made). The demand need not be explicit; the threat may be implied, and its
25 coercive nature is judged by the circumstances. *Id.* See also *Stenehjem v. Sareen*, 226 Cal. App.
26 4th 1405, 1423 (2014) (wrongful threat where an attorney demanded a large sum of money
27 unrelated to any actual damages, coupled with a threat to file a criminal complaint). “[T]he more
28

1 vague and general the terms of the accusation the better it would sub-serve the purpose of the
2 accuser in magnifying the fears of his victim.” *People v. Asta*, 251 Cal. App. 2d 64, 87 (1967).

3 **C. Federal Rules of Evidence 106, 403, 408**

4 **Rule 106 (Rule of Completeness).** When a party introduces part of a statement, the court
5 may require admission at the same time of any other part—or any other related statement—and
6 that fairness ought to be considered. *Beech Aircraft Corp. v. Rainey*, 488 U.S. 153, 171–72
7 (1988) (describing the common-law rule of completeness, partially codified in FRE 106, and
8 holding it error to bar contextual portions needed to avoid misleading the factfinder)

9 **Rule 403 (balancing).** Even relevant evidence may be excluded if its probative value is
10 substantially outweighed by dangers of unfair prejudice, confusing the issues, misleading the
11 jury, undue delay, waste of time, or needless cumulation. “Unfair prejudice” means an undue
12 tendency to prompt decision on an improper basis, commonly an emotional one; courts should
13 consider whether less prejudicial substitutes are available. *Old Chief v. United States*, 519 U.S.
14 172, 180–82 (1997); Fed. R. Evid. 403 & ACN.

15 **Rule 408 (compromise offers and negotiations)** bars evidence of (1) offers/acceptances
16 of consideration and (2) conduct or statements made in compromise negotiations used to prove
17 or disprove the validity or amount of a disputed claim or impeach by inconsistent statement or
18 contradiction. The Rule permits other purposes (e.g., bias, negating undue delay, obstruction),
19 subject to Rule 403. Documents otherwise discoverable are not immunized merely for being
20 exchanged in negotiations. Fed. R. Evid. 408(a)–(b) & ACN. Ninth Circuit emphasizes context:
21 the Rule applies when there is a disputed claim; courts have discretion to decide if particular
22 communications were part of settlement negotiations and, even if admissible for another purpose,
23 to exclude under 403. See *Cassino v. Reichhold Chems., Inc.*, 817 F.2d 1338, 1342 (9th Cir.
24 1987); *Rhoades v. Avon Prods., Inc.*, 504 F.3d 1151, 1161–62 (9th Cir. 2007); Fed. R. Evid. 408.

25 **Application:** In combination, these rules authorize the Court to (i) require the full,
26 contextual statements under 106, (ii) exclude mischaracterizing snippets where probative value is
27 substantially outweighed by prejudice or risk of misleading the factfinder under 403, and (iii) bar
28

1 use of settlement communications to prove liability/amount under 408, while allowing limited,
2 non-merits uses only with appropriate 403/105 safeguards.

3 **IV. ARGUMENT**

4 **A. Checkmate’s “Notices” Are Extortion as a Matter of Law—and Evidence of**
5 **Improper Purpose under 11(b)(1) and Vexatious Multiplication under § 1927**

6 Rule 11 sanctions are warranted when a filing is presented “for an improper purpose,”
7 including to harass or needlessly increase the cost of litigation. Fed. R. Civ. P. 11(b)(1). Here,
8 Checkmate’s “notice of claim” campaign crossed the line into extortion as a matter of law,
9 confirming improper purpose and warranting deterrent sanctions under Rule 11 and § 1927.

10 In *Flatley v. Mauro*, the Supreme Court held that a lawyer’s demand—threatening
11 criminal accusations and publicity unless a payment was made—was “extortion as a matter of
12 law” and unprotected. The Court emphasized that the coupling of a wrongful threat (e.g., to
13 accuse of crime; disgrace or “secrets” Penal Code §§ 518–519) with a demand for money or
14 concessions that makes the demand illegal; dressing in legalese does not sanitize it.

15 In *Mendoza v. Hamzeh*, a letter threatening to report the recipient to prosecutors, tax
16 authorities, and customers unless he paid “damages exceeding \$75,000” was extortion as a
17 matter of law. The truth or falsity of the accusations—and whether money was actually owed—
18 was irrelevant once the letter paired a criminal-report threat with a monetary demand. In
19 *Stenehjem v. Sareen*, a threat to file a qui tam/criminal-tinged action unless a settlement was
20 reached likewise qualified as extortion, again falling outside anti-SLAPP and the privilege.
21 California decisions also make clear the threat need not be specific; vagueness can magnify fear
22 and satisfies the statute. See, e.g., *People v. Sanders/Asta/Bolanos* (quoted with approval in
23 *Flatley*): vague, general criminal accusations can support extortion when paired with a demand.

24 **Checkmate’s “Notices” Clearly Cross the Line.**

25 The Dec. 6 letter announces Checkmate “has no intention to make any more payments”
26 and demands “immediate reimbursement for all ... out-of-pocket expenses associated with the
27 Merger,” i.e., a money payment, while reciting accusations of “criminal misconduct”. The Jan.
28 22 letter escalated further with threats to “*explore and potentially litigate ... criminal liability*,”

1 demands that AV “submit to an interview” or provide a detailed written response with evidence
2 by a fixed deadline, and states the client is “open to resolution” but will otherwise “pursue legal
3 action.” This is classic conditional leverage—pay/performance or face criminal-framed litigation.

4 Under *Flatley/Mendoza/Stenehjem*, those features—criminal-referral threats + demands
5 for money and compelled “cooperation” under a deadline—fit the extortion pattern as a matter of
6 law: “the threat is directly linked to the demand,” and the law “does not contemplate the use of
7 criminal process as a means of collecting a debt.” Penal Code § 523 confirms that threatening
8 letters used to obtain money or other benefits (including coerced “admissions”) are criminal
9 when the threat is wrongful, regardless of whether payment is made.

10 Relation to the CCs Does Not Save Checkmate.

11 Checkmate may cite *Malin v. Singer*, 217 Cal. App. 4th 1283 (2013) to justify its threats
12 as related to the CCs and therefore permissible. But *Malin* expressly distinguished threats of
13 criminal referral from exposure that might result from filing a civil suit. Checkmate may then
14 rely on language from the 2nd notice to “plausibly deny” it was making a direct threat: “**your**
15 **conduct renders you liable for claims ... our client intends to pursue against you** [fraud/breach
16 citations]” and “**exposes you to claims of** [IP and trade secret theft citations]”. These contradict:
17 IP claims can only be asserted by owners, while the fraud/breach claims allege that AV “**did not**
18 **and could not**” have assigned ownership. This precludes any relation of the threats at issue to any
19 claims Checkmate had standing to make. Moreover, Checkmate also directly threatened, *on its*
20 *own accord*, to “**fully explore and potentially litigate claims of fraud, including both civil and**
21 **criminal liability.**” (Ex. D-4 at 3 (pp. 71–72 of 92)). The intent was intimidation. California does
22 not provide a “relation to claims” safe harbor; what matters is means and purpose. Coupling
23 threats of criminal-exposure with demands for money or compelled cooperation crosses the
24 *Flatley* line into extortion as a matter of law; and courts have long recognized that vagueness
25 magnifies fear, not legitimacy—“**the more vague and general the terms ... the better it would**
26 **subserve the purpose of the accuser in magnifying the fears of his victim.**” *People v. Sanders*,
27 188 Cal. 744, 749–50 (1922). Here, the Notice’s ambiguity is the feature, not a defense—its
28 design was to instill undue fear in a *pro se* party, not to advance a civil claim.

1 Conditionality Makes it Extortion.

2 Under PC §§518, 519, 523, extortion is indicated if a party conditions “resolution” while
3 brandishing criminal exposure. That is the case here: “open to resolution” if AV pays ‘immediate
4 reimbursement’ and submits to an interview/provides evidence, else it will “litigate” “criminal
5 liability”. California courts condemn this quid-pro-quo: *Flatley* (criminal accusations unless
6 paid), *Mendoza* (report to authorities unless paid), *Stenehjem* (no talismanic words required;
7 context controls). The conditionality is what makes the letters extortionate as a matter of law.

8 Aggravated Extortion – Wages as Hostage

9 The coercion here is not merely rhetorical; it is aggravated by weaponizing earned wages.
10 California law requires final wages be paid immediately at termination (Lab. Code § 201),
11 forbids conditioning any part of those wages on a release or concession (§ 206.5), and imposes
12 waiting-time penalties for willful nonpayment (§ 203). Moreover, intentional wage theft above
13 statutory thresholds may be prosecuted as grand theft under Pen. Code § 487m. In effect, not
14 only did it wrongfully threaten criminal referral for advantage in a civil dispute, but Checkmate
15 also expressly threatened to commit a felony against AV—reinforcing the extortionate nature of
16 its conduct: *confess or we won’t pay what you’re already earned*. See Pen. Code §§ 518, 523.

17 **B. Withholding and Misstatement of Contracts Confirms Bad Faith**

18 The notices listed several purported “misrepresentations” by AV, all contractual clauses
19 and substantially those listed in the CCs. AV repeatedly requested the executed versions of these
20 agreements, which he did not possess. Checkmate refused to provide them—or respond to these
21 requests which cited Cal. Labor code § 432 (right to copies of signed instruments) and § 1198.5
22 (right to inspect and copy personnel records). Meanwhile, **MA § 8** required a response to any
23 “Notice of Claim” within one month; deprived of the operative contracts, AV nevertheless
24 responded in good faith to “representations” he never actually made. See Exs. D-1, D-2, C-2.

25 By withholding the IPAA, Checkmate concealed that it constrained AV’s representations
26 and assignment to technology created “*on behalf of*” VoiceBite. AV was further prevented from
27 studying the agreement, which (as purported to assign pre-existing IP not created *on behalf of*
28 VoiceBite) is plainly not valid under Cal. Lab. Code § 2870. See Reply ISO Motion to Dismiss

1 Counterclaims. Checkmate further inserted language into the first bullet (derived from IPAA §
2 3), completely altering its meaning. Whereas the actual clause is limited to the “assigned assets”
3 (pre-existing code created *on behalf of* VoiceBite), the notices (and the CCs) fabricate an entirely
4 new rep by stitching in a context-free fragment from (by recollection), the disclosure schedules
5 that it has (ironically) never disclosed: “a comprehensive set of components ...”. The CCs (or
6 notices) do not specify what constitutes or qualifies this “comprehensive set”. In effect,
7 Checkmate was putting words into AV’s mouth and demanding he answer for them.

8 By withholding the IPAL, AV was prevented from seeing that it addressed an entirely
9 different founder, Christopher Lam—and that it merely “acknowledged” clauses in the MA and
10 in a future Confidential Information Agreement with *Checkmate* ... not “[VoiceBite]”. This is
11 dispositive—VoiceBite was months old, pre-revenue, pre-funding. The founders were working
12 with personal accounts and equipment—used for prior ventures. AV repeatedly asserted (in
13 replies to the notices and an ethics complaint sent to K&L Gates General Counsel (“GC”)) that
14 counsel for VoiceBite redlined and swapped out “*have entered into with VoiceBite*” for “*will*
15 *enter into with Checkmate*” and cited the version shared the day prior to signing. AV noted that if
16 the clause did read “VoiceBite”, Checkmate would have fraudulently altered the parties’ bargain.
17 The GC’s formal response refused to retract the misstatement, or to provide the agreement,
18 stating “**Lastly, you assert that certain agreements ... “do not match the versions [you were]**
19 **provided just prior to signing by VoiceBite counsel.” We have no way of knowing ... to what**
20 **extent they match the agreements that form the basis for our client’s claims against you. But to**
21 **be clear, any suggestion by you that our Firm or Mr. Keech intentionally manipulated or**
22 **misrepresented any documents is totally false and baseless.”** Exs. G-1, 2, 3.

23 By withholding the MA, AV was prevented from confirming, *inter alia*, that five bullets
24 tagged to MA § 5.9 were (1) made by *VoiceBite* to Checkmate; (2) qualified by the disclosure
25 schedule (yet withheld) and by the “knowledge of [Nessler], [AV] and [Lam]”. Indeed, two of
26 the “representations” in the CCs blatantly swap in “Plaintiff” where the actual language reads
27 “Company” (e.g. VoiceBite). AV was also prevented from studying the contract architecture and
28 noting that the IP papers were not incorporated—a fact that provides AV substantial defenses.

1 **C. Use of Settlement Correspondence Violates 11(b)(2) and FRE 408**

2 The pre-suit correspondence was settlement negotiation start to finish. The parties
3 engaged in a continuous negotiation from Nov. 20 → Feb. 14. The Dec. 6, “Notice” explicitly
4 referenced and rejected AV’s Nov. 20 offer, declared “no intention to make any more payments
5 ... at this time,” and demanded “immediate reimbursement” of alleged merger “out-of-pocket
6 expenses.” AV responded on Dec. 15 and Dec. 20-24 by email, and Dec. 20 by formal letter—
7 identifying contract requirements, disputing the allegations, insisting on production of the
8 executed agreements, personnel file and damages calculations—several times detailing explicit
9 and itemized settlement offers. On December 20–21, Checkmate’s counsel asked AV to sit for a
10 recorded interview and answer “clarifying questions,” stating the company “may ... revisit some
11 or all of its position” depending on AV’s answers—another hallmark of compromise talks
12 pairing conditional reconsideration with an information demand. AV declined the interview and
13 proposed to continue in writing. (Dec. 20–21 email thread.)

14 The Jan. 22 “Second and Final Notice” maintained that Checkmate would make “no
15 further payments ... at this time,” threatened to “fully explore and potentially litigate ... fraud,
16 including both civil and criminal liability,” and conditioned its “open[ness] to resolution” on AV
17 “submitting to an interview” or, by a fixed deadline, delivering a “detailed and accurate written
18 response ... supported by evidence.” AV answered with technical and contractual explanations,
19 settlement offers and production demands—all clearly in the context of resolving the dispute.
20 Both parties threatened legal action and offered conditions upon which it could be avoided.

21 A third notice on Jan. 29 (to the Holder Rep. under MA § 9.1) asserted “over \$5 million”
22 in damages—about \$1.68 million accounted for by forfeiture of founders’ bonuses and merger
23 equity. The Feb. 7 response by Grant Thomas, counsel for Mr. Nessler, distinguished VoiceBite
24 IP from the functional artifacts exhibited in the CCs—stating “[Checkmate has not] established a
25 claim exceeding the amount of \$25,000 pursuant to Section 8.1, much less for the losses
26 exceeding \$5,000,000 as claimed ... VoiceBite invites [Checkmate] to submit another letter
27 substantiating its claims.” Pre-suit negotiations came to an end on Feb. 14, when Checkmate
28 filed a complaint in New York, which it later dismissed and re-pled verbatim as its CCs here.

1 Under FRE 408(a), once a compromise negotiation is established, statements made
2 during that negotiation—even if any specific message lacks a formal “offer”—are inadmissible
3 to prove liability, scienter, reliance, or the amount of a disputed claim (or for impeachment). The
4 Nov. 20 → Feb. 14 period bears every marker of compromise dialogue: payment demands and
5 refusals, conditional “open to resolution” alternating with litigation threats, and discussion of
6 modes of dialog (recorded interview vs written responses). Mining snippets from this dialogue to
7 recast as “admissions” and support merits elements is exactly what Rule 408(a) forbids. *Rhoades*
8 *v. Avon Prods., Inc.* (settlement dialog cannot be used for merits proof).

9 A pleading theory that depends on Rule 408-barred material to establish merits elements
10 is not “warranted by existing law.” Fed. R. Civ. P. 11(b)(2); *Christian v. Mattel, Inc.*, 286 F.3d
11 1118, 1127 (9th Cir. 2002); *Townsend v. Holman Consulting Corp.*, 929 F.2d 1358, 1362 (9th
12 Cir. 1990) (en banc). No reasonable attorney could treat negotiation rhetoric (e.g., “no matter
13 what” price-floor language) or settlement give-and-take as predicates for liability or damages.
14 Even if an “other purpose” were later asserted, admissibility would be resolved by Rule 403 and
15 motion in limine, not by embedding negotiation excerpts into a pleading. See *Rhoades*.

16 **D. Selective Quotation and Paraphrasing Violate 11(b)(3) and FRE 106**

17 A striking and critical portion of Checkmate’s counterclaims derive directly from these
18 notices and responses—indeed without them, the CCs fail to allege key fraud elements. Beyond
19 admissibility, the CCs out-of-context use of these statements implicates Rule 11(b)(3) as setting
20 forth allegations without any reasonable inquiry—or in this case, despite a reasonable inquiry—
21 indicating that an evidentiary basis existed or would exist after discovery.

22 **1. Dec. 6 Notice → “Bizarre and Implausible Excuses” (CCs ¶¶ 30-31)**

23 The CCs exhibit a few screenshots referring to the use of the word “cyborg”, in domain
24 names and credential files. AV’s formal response to the notice stated that these were non-code
25 personal property that in fact pre-dated “CyborgOps, Inc.”, which was named *because* of AV’s
26 fondness for the word “cyborg”. There is nothing “bizarre and implausible” about this statement.
27 It is a plain and simple fact that incidental use of a word to name a company does not preclude
28 use of that same word *for other purposes*—and does not confer (without explicit trademark) any

1 exclusive rights to such use by that company. Checkmate’s failure here is not just its subjective
2 and pejorative characterizations, but its filing of such without attaching any source document
3 (Rule 106) and despite a clear and expressed settlement context (Rule 408).

4 2. **Jan. 22 Notice** → “No matter what” and co-authorship “admission”

5 **CCs ¶¶ 1, 5, 32, 60** make much ado of the phrase “no matter what” in a pre-suit email,
6 implying AV was expressing fraudulent intent, i.e. he would be paid no matter what even if he
7 had committed fraud. The actual email (Ex. D-5) refers to a joint negotiation position, and rebuts
8 Checkmate’s claim that it would have “otherwise paid less” for VoiceBite, as follows:

9 *We* would not have sold to your client at any price point lower than
10 the closing terms (and without explicit “no matter what” guarantees
11 which your client is overtly violating): ... This was the bare minimum:
any theoretical damages you are claiming are illusory.

12 Checkmate’s misleading use of the phrase entirely leaves out that it was already *quoted*
13 by AV—in reference to negotiation of bonus and severance guarantees. As Mr. Nessler has
14 declared, “The phrase “no matter what” refers to a negotiating position shared by the three
15 primary founders (myself, Arjun Vasan, and Christopher Lam) during joint negotiations”.
16 Nessler Decl. ¶ 2. AV’s email also explicitly makes a settlement offer “I suggest your client
17 brings this to a close, amicably, by considering my separation as a termination without cause,
18 and fulfilling all obligations pursuant to such a designation—including severance (\$122k),
19 retention bonus (\$500k) and performance bonus (\$200k) ... this is my final offer”.

20 **CCs ¶ 29** purports AV “admitted” “another third party ... had developed the property
21 that [AV] falsely claimed to own” is lifted from the same email and misstates what AV actually
22 wrote. In context, AV said that his father—the other co-author of legacy code that AV himself
23 co-authored—approved of AV’s use and asserted no claim to that code. That is the opposite of
24 an admission: a co-author is an author, and consent from the other co-author confirms AV’s
25 rights, not their absence. In any event, the executed IPAA forecloses Checkmate’s gloss: the
26 “assigned assets” are limited to those created *on behalf of* VoiceBite. Moreover, even construed
27 under Checkmate’s misreading of the plain language (and *arguendo* ignoring Lab. Code § 2870)
28 the representation is that the assignor is the “owner, author and/or inventor” (which AV clearly

1 was as a co-author) and to the best of Assignor's knowledge, had the ability to assign exclusive
2 title—which AV satisfied, given his father's express approval. AV never “admitted” otherwise.
3 Using a settlement email to convert a candid good-faith explanation into a merits “admission”
4 violates FRE 408(a) and lacks evidentiary support after reasonable inquiry under Rule 11(b)(3);
5 no reasonable attorney could rely on such to plead falsity, intent or scienter. The Court may
6 strike CCs ¶¶ 28, 29 and direct a corrective pleading removing such 408-barred material.

7 3. **Jan. 29 Notice** → “not, in fact, intellectual property” (CCs ¶¶ 33-34)

8 CCs ¶¶ 33-34 attribute to AV statements that could not possibly derive from statements
9 he made, as AV did not communicate with Checkmate or its counsel in February 2025:

10 CCs ¶ 33. In February 2025, Plaintiff's excuses shifted yet again.
11 This time, he claimed that the software, the code – the heart of
12 VoiceBite – was not, in fact, intellectual property – emphasizing the
13 stark and troubling reality that Checkmate had been duped ... into
14 acquiring a valueless non-asset.

15 CCs ¶ 34. Of course, Checkmate would not have agreed to acquire
16 VoiceBite if its core technology was not, in fact “intellectual property.”
17 Plaintiff's misrepresentations regarding the originality and ownership
18 of the code were knowing falsehoods that he told with full awareness
19 of their materiality to Checkmate's decision ...

20 After several filings by AV in both this court and SDNY, Checkmate's finally conceded
21 that his identified source was correct, but only *compounded* its misattribution by instead calling
22 Mr. Thomas “*his [AV's] lawyer*” — yet another *knowingly false statement*:

23 “[a]t no time” was his approval given for unspecified “statements to
24 be attributed solely to him” by his lawyer and that he cannot be bound
25 by statements made by his lawyer (*id.*); (SDNY ECF No. 59 at 6)

26 AV does not disavow the actual response.² What he objects to is distorting that response
27 and misattributing that distortion to himself *personally*. AV has no formal engagement with Mr.
28 Thomas — who is not “*his lawyer*”. Mr. Thomas is *Mr. Nessler's attorney*, in his Holder Rep.

² **Fed. R. Evid. 801(d)(2)(B)** demands a clear manifestation that *this* party adopted the statement's truth. Contrast *United States v. Safavian*, 435 F. Supp. 2d 36, 43–44 (D.D.C. 2006) (email forwards with affirmative endorsement treated as adoptive admissions). Here, AV's brief, process-oriented sign-off on an explicitly **joint** Holder-Rep letter is not a personal adoption. In any case, Checkmate was not privy to the sign-off at time of filing.

1 capacity³. The sequence is telling: (1) Checkmate’s Jan 29 Notice was addressed to and served
2 only on Mr. Nessler; salutation “*Dear Holder Representative,*”; (2) Mr. Thomas’s Feb 7 response
3 is addressed “*From Grant Thomas: on Behalf of Robert Nessler, Holder Representative for the*
4 *VoiceBite Corporation Shareholders*”; and (3) Checkmate’s NY State complaint was filed with
5 these allegations on Feb 14, mere days later—underscoring time-of-filing knowledge.

6 The Court may draw a strong inference that this exchange was not just misrepresented
7 but *engineered*. Aware of Mr. Nessler’s duty to retain counsel on behalf of the shareholders⁴,
8 Checkmate created a situation where a response was inevitable.

9 The actual text of the Feb 7 Response (Ex. B-3) refers to *the specific code* exhibited in
10 Checkmate’s complaint, distinguishing it from VoiceBite’s Intellectual Property, and never
11 names AV as the source, or that he was even involved in the response:

12 VoiceBite owned all intellectual property identified in the
13 VoiceBite Merger Agreement. VoiceBite’s intellectual property was
14 and is free of licenses, including at the time of transfer. VoiceBite is
15 the author of all intellectual property ... transferred ...

16 After discussions with VoiceBite personnel, the code at issue was
17 not owned, licensed, or transferred to any third party. Further, this
18 code ... is not capable of being “intellectual property” ... The code at
19 issue is merely scènes à faire or API integrations not subject to
20 copyright or intellectual property protection. As the code ... is merely
21 elements dictated by functionality, and therefore cannot be subject to
22 protection and thus are not subject to claims for ...

23 ³ Checkmate cannot claim the right to sue AV individually and also bind AV to the words of Mr. Nessler’s counsel, writing
24 on behalf of the shareholders. See Fed. R. Evid. 801(d)(2)(B)–(D) (adoptive admission requires a party’s own manifestation;
25 authorized-speaker and agency prongs require actual authorization/agency and within-scope conduct); AV approved Mr.
26 Thomas’s Feb. 7 response as the shareholders’ statement under MA § 9.1, not as his personal statement. An opposing-
27 party statement under FRE 801(d)(2) must be the **party’s own**, clearly adopted (not merely received or generally
28 approved), or made by an authorized agent on a matter within the scope of that relationship. *Transbay Auto Serv., Inc. v.*
Chevron U.S.A. Inc., 807 F.3d 1113, 1120–22 (9th Cir. 2015) (“possession-plus”/clear incorporation required for adoption);
Sea-Land Serv., Inc. v. Lozen Int’l, LLC, 285 F.3d 808, 821 (9th Cir. 2002) (adoption only where contents are expressly
incorporated); *Weil v. Citizens Telecom Servs. Co., LLC*, 922 F.3d 993, 999–1000 (9th Cir. 2019) (801(d)(2)(D) demands proof
of agency and within-scope subject matter); *People v. Combs*, 34 Cal. 4th 821, 842–43 (2004); *People v. Riel*, 22 Cal. 4th 1153,
1189–90 (2000) (adoptive admission requires knowledge and words/conduct manifesting belief in truth; selective
extraction does not suffice); Cal. Evid. Code §§ 1221–1222. In all events, the exchange occurred during compromise
negotiations and is inadmissible to prove liability, scienter, or amount. FRE 408(a); *Rhoades v. Avon Prods., Inc.*

⁴ See *Fortis Advisors LLC v. Allergan W.C. Holding Inc.*, C.A. No. 2019-0159-MTZ, at 7 (Del. Ch. May 14, 2020) (contractual
appointment of a shareholder representative makes that representative the **real party in interest**; the rep litigates in the
stockholders’ stead and cannot compel individuals to act); see also *Aveda Inc. v. Bengoa*, C.A. No. 3598-VCL (Del. Ch. Aug.
13, 2010) (recognizing the shareholder representative’s separate authority under the merger agreement).

(Grant Thomas, Feb 7 Response, Vasan Decl. ¶ 6, Ex. B-3)⁵

Checkmate asks the court to believe its claims respond to AV's *individual* acts, and have *nothing to do with* the Holder Rep., or the other shareholders—whose bonuses, *incidentally*, are also being withheld on account of a “legal dispute” (i.e. this dispute). This is unpersuasive.

Whether Plaintiff sent a pre-suit letter to the Holder Representative, on behalf of all shareholders, *is entirely irrelevant to*, and has no bearing on, whether Plaintiff can pursue claims in this litigation against only the Defendant individually. *Clearly*, Plaintiff can. ... *The Amended Complaint seeks to hold Defendant accountable for his, and only his, actions leading up to, during, and after the Transaction.* (SDNY ECF No. 41 at 26)

Clearly, the CCs seek to hold AV accountable for more than *just* his own actions. Here, *the Notice was bait*—aimed to provoke a *group* response, strip out a useful snippet and recast as AV's own words. This is advocacy without candor, and this Court should not humor or excuse it.

E. The Court Should Impose Punitive and Deterrent Sanctions

Fed. R. Civ. P. 11(c)(4) authorizes non-monetary directives and “a penalty paid to the court” calibrated for deterrence. See *Cooter & Gell* at 393–98 (1990) (deterrence focus; broad discretion); Fed. R. Civ. P. 11 advisory note (1993) (sanctions should be effective to deter). Here, as AV is *pro se*, limiting sanctions to unavailable fee-shifting creates a moral hazard inviting further gamesmanship. The Court may weigh the equities to tailor remedies accordingly.

Independent of Rule 11, the Court may sanction bad-faith litigation conduct under its inherent power, including by imposing fines, striking allegations, issue/evidentiary preclusion, and referral for professional discipline. *Chambers v. NASCO, Inc.*; *Fink v. Gomez* at 991–94 (9th Cir. 2001) (bad faith includes a broad range of willful improper conduct; recklessness plus an

⁵ **Fed. R. Evid. 106** (as amended Dec. 1, 2023). The Advisory Committee explains that the rule of completeness, grounded in fairness, “cannot fulfill its function if the party that creates a misimpression about the meaning of a proffered statement can then object on hearsay grounds and exclude a statement that would correct the misimpression.” Advisory Comm. Note (2023). See also *Beech Aircraft Corp. v. Rainey*, recognizing that the common-law completeness doctrine—partially codified in Rule 106—was “designed to prevent exactly the type of prejudice” caused when fragments are taken out of context, quoting Wigmore’s formulation that the remainder may be introduced “to secure ... a complete understanding of the total tenor and effect of the utterance.” 488 U.S. 153, 171–72 (1988). The Ninth Circuit applies the same principle: if the omitted portion would correct a misleading impression created by taking something out of context, Rule 106 requires completion; conversely, when the redaction is not misleading, Rule 106 does not compel admission of more. *United States v. Vallejos*, 742 F.3d 902, 905 (9th Cir. 2014) (cleaned up). California’s analogue—Evid. Code § 356—serves the identical purpose: “to prevent the use of selected aspects of a conversation, act, declaration, or writing, so as to create a misleading impression.” *People v. Arias*, 13 Cal. 4th 92, 156 (1996) (quoting *People v. Pride*, 3 Cal. 4th 195, 235 (1992)).

1 improper purpose suffices). Courts may consider the pattern and purpose of the conduct and
2 tailor remedies to prevent recurrence. See also *Goodyear Tire & Rubber Co. v. Haeger*, 581 U.S.
3 101, 108–13 (2017) (causation limits for compensatory fee awards; punitive fines to the court
4 fall within sanctioning powers); *Roadway Express, Inc. v. Piper*, 447 U.S. 752, 764–67 (1980).

5 Sanctions are likewise available against counsel under 28 U.S.C. § 1927 for unreasonably
6 and vexatiously multiplying proceedings, which in the Ninth Circuit requires subjective bad
7 faith—i.e., knowingly or recklessly advancing frivolous positions. *In re Keegan Mgmt. Co. Sec.*
8 *Litig.*, 78 F.3d 431, 436–39 (9th Cir. 1996); *New Alaska Dev. Corp. v. Guetschow*, 869 F.2d
9 1298, 1306 (9th Cir. 1989). Where fee-shifting offers little deterrent because the opponent is *pro*
10 *se*, the Court may pair § 1927 findings with inherent-power or Rule 11 remedies (e.g., fines to
11 the Clerk; preclusion; corrective orders) for deterrent effect. See *Christian v. Mattel, Inc.*, 286
12 F.3d 1118, 1127–30 (9th Cir. 2002) (non-fee sanctions for legally untenable contentions).

13 Courts routinely deploy non-fee sanctions to curb sharp practice—including penalties to
14 the Clerk and bar referrals—precisely to deter future abuse regardless of the opponent’s fee
15 posture. See, e.g., *Diaz v. Prof’l Cmty. Mgmt., Inc.*, 16 Cal. App. 5th 1190, 1216–18 (2017)
16 (sanctions, payment to the Clerk, and referrals where the litigation strategy was “borne of sharp
17 practices”). And case-management and discovery rules supply additional, targeted tools: Rule
18 16(f) (violations of scheduling/management orders), Rule 26(g) (improper certifications), and
19 Rule 37(b)/(c) (preclusion and other sanctions for discovery abuses), all of which permit non-fee
20 remedies that directly neutralize the tactical advantage improperly gained.

21 Applied here, a deterrent package properly focuses on (1) punitive monetary penalties
22 payable to the Court (Rule 11(c)(4); inherent power), and (2) punitive non-monetary sanctions
23 that function as fee-equivalents by removing the fruits of misconduct and constraining future
24 abuse—e.g., striking allegations predicated on settlement snippets, evidentiary preclusion (Rules
25 408/403/37(c)(1)), a completeness requirement for any future use of party statements (Rule 106),
26 corrective orders, and, if warranted on the record, a narrow certification or pre-filing condition to
27 prevent relitigating the same nucleus of facts. These measures accord with Rule 11’s deterrent
28

1 aim and the Court’s duty to preserve the “just, speedy, and inexpensive” determination of
2 actions, while avoiding the moral hazard that would otherwise exist in a pro se posture.

3 **V. CONCLUSION**

4 Checkmate’s fraud story runs like this: AV “duped” it into “paying him” “millions of
5 dollars” “specifically for the code,” which was “a valueless non-asset,” and he “admitted” as
6 much. As shown in AV’s Reply (Dkt. 98), that tale fails on the pleadings and the documents they
7 invoke; and under California law. This motion addresses how the tale was authored.

8 Checkmate’s extortion tinged “notices” rewrote contract language into promises AV
9 never made, withheld the very agreements that would expose the rewrite, and coupled demands
10 for “immediate reimbursement” and coerced “submi[ssion] to an interview” with the drumbeat of
11 “criminal” exposure—while threatening to and withholding earned and unpaid wages. When
12 AV’s settlement-context responses didn’t give them all it needed, it sent a third “notice” to the
13 Holder Rep Mr. Nessler, eliciting a lawyer’s advocacy letter it would soon mischaracterize.

14 AV’s “no matter what” shorthand for *guaranteed retention bonuses* became fraudulent
15 intent. Permission to use code co-authored by his father became an “admission” that AV lacked
16 rights to do so. Counsel’s distinction between VoiceBite IP and functional code snippets
17 morphed—seven days later—into “Vasan admitted” ... VoiceBite was a “valueless non-asset.”
18 None of this was presented with the documents or context that would reveal the switch; all of it
19 came from settlement responses that no reasonable attorney would treat as merits evidence. The
20 misstated contract clauses from the notices, became bulleted “misrepresentations” in the CCs.

21 Without this strategy, and the allegations that derive from it, Checkmate would not have a
22 defense for its indefensible conduct as an employer. Mr. Nessler’s declaration connects the dots:
23 this lawsuit is not just unsupported—but *manufactured*. It was intended to be, and is, leverage to
24 evade paying AV, and four others. *Improper purpose* is not zealous advocacy. Checkmate’s lack
25 of candor and gamesmanship did not start with its denied Motion to Dismiss in this venue, but is
26 foundational to this dispute. Conduct so ingrained is unlikely to self-correct without intervention
27 from the Court. For these reasons, AV respectfully requests the Court grant the motion and
28 impose punitive, deterrent sanctions as is set forth in the [Proposed] Order filed herewith.

Respectfully Submitted,

Dated: _____

/s/ *Arjun Vasani*

In Cerritos, California

By: **Arjun Vasani**
Plaintiff In Pro Per

CERTIFICATE OF COMPLIANCE WITH LOCAL RULE 11-6

Plaintiff Arjun Vasan certifies that this brief contains 6,992 words, which complies with the 7000-word limit of L.R. 11- 6.1 and the Court's Civil Standing Order dated Aug. 27, 2025.

Respectfully submitted,

Dated: **October 20, 2025**

In: **Cerritos, California**

/s/ *Arjun Vasan*

Arjun Vasan, Plaintiff *In Pro Per*

Exhibit F – Allegation – Source Map

CCs ¶		Source	
4, 6, 35	<p>4. [AV] debated with his co-founders whether to disclose his concealment in fear he would be discovered and exposed by Checkmate...</p> <p>6. [AV] has recently admitted that he intentionally concealed his misrepresentations concerning VoiceBite’s technology to Checkmate in part because he allegedly feared an adverse response from Checkmate ...</p> <p>35. Then again in February 2025, Plaintiff brazenly made the excuse that he actually discussed with his co-founders the possibility of disclosing to Checkmate the fraudulent representations ...</p>	Cmpl. ¶ 16; (misrepresents source text)	<p>16. ... Defendant utilized the one-sided exclusivity to pressure them to accept terms that undermined their interests (¶ 112):</p> <ul style="list-style-type: none"> • April 2, 2024: The founders agree on a plan to disclose personal legacy code —some of it co-authored by Plaintiff’s father (“VV”), who had given his full consent to its use for VoiceBite. ... • April 3, 2024: During a meeting ... - Post-meeting, the founders debate disclosing the legacy code, citing Bell’s hostility to changes and Agarwal’s reassurances <p>..... (See Dkt. 10 at ¶ 16 for full context)</p>
30, 31	<p>30. Checkmate confronted Plaintiff with its findings. On December 6, 2024, Checkmate, through counsel, sent a letter to Plaintiff’s legal counsel, detailing...</p> <p>31. Plaintiff’s excuses became increasingly bizarre and implausible. He falsely characterized the numerous “Cyborg” references embedded in the VoiceBite application code.</p>	Dec 6 “notice of claim” and AV’s response Exhibit D-1, 2; (inadmissible under FRE 408/coerced)	The first notice lists the same reps/warranties as in CCs ¶¶ 59, 65; alleges “serious civil or even criminal misconduct”; claims to “disentitle” AV from the compensation he “claims to be owed”; demands AV immediately pay for its out of pocket merger costs; rejects AV’s settlement outreach; misstates the IPAL (replacing “Checkmate” with “VoiceBite”), while refusing to provide the document for AV to review.
1, 5, 32 60	<p>1. “No matter what.” These three words, written by Plaintiff ...) in January 2025 ...</p> <p>5. ...Plaintiff’s “no matter what” expectations ...</p> <p>32. In January 2025, sought to negotiate payment ... to himself “no matter what” while all the while hiding the true state ...</p>	Jan 22 “notice of claim”; AV’s responses; Exhibit D-4; (inadmissible under FRE 408/coerced)	The second notice repeats the list of reps; threatens to “litigate” “both civil and criminal liability”; claims Checkmate will seek injunctive relief to enforce the non-compete; demands submission to an interview or detailed written response, “supported by evidence”;

Exhibit F – Allegation – Source Map

	60. ... Plaintiff, who admits in writing that he intended at the time that he would be paid “no matter what,” knew of their falsity ...		client will not make payments—but is open to resolving the matter. (See Ex. E (Nessler Declaration ¶ 2-3)) re “No Matter What” phrase—used by all founders to refer to retention bonuses being negotiated)
28, 29	28. ... on or around January 23, 2025, Plaintiff admitted in writing that Varadarajan ...– had developed the property ... 29. The truth was thus becoming clear: Arjun Vasan did not have the rights he claimed to have. ... VoiceBite ... could not assign: ...	<i>Id.</i> (inadmissible under FRE 408/coerced)	
33, 34	33. In February 2025, Plaintiff’s excuses shifted yet again. This time, he claimed that the software, the code – the heart of VoiceBite – was not, in fact, intellectual property –emphasizing the stark and troubling reality that Checkmate had been duped by Plaintiff into acquiring a valueless non-asset. 34. Of course, Checkmate would not have agreed to acquire VoiceBite if its core technology was not, in fact “intellectual property.” Plaintiff’s misrepresentations regarding the originality and ownership of the code were knowing falsehoods that he told with full awareness of their materiality to Checkmate’s decision to acquire VoiceBite.	<i>Jan 29 “notice of direct claim”; served on Robert Nessler as Holder Rep under MA § 9.1; Exhibit B-1--3; (inadmissible under FRE 408), derives from Feb 7 response by Grant Thomas, Counsel for Mr. Nessler, misattributed to AV</i>	See Exhibit B. VoiceBite owned all intellectual property identified in the VoiceBite Merger Agreement. VoiceBite’s intellectual property was and is free of licenses, including at the time of transfer. VoiceBite is the author of all intellectual property VoiceBite transferred to Checkmate. Therefore, VoiceBite has not made any misrepresentations about ownership of intellectual property, including specifically no misrepresentations for which Purchaser Identified Parties seek indemnification, although none are specifically identified in the January 29, 2025 letter. VoiceBite has been made aware that Purchaser Indemnified Parties have concerns about ownership of intellectual property based on newly discovered “comments” found in source code. After

Exhibit F – Allegation – Source Map

			<p>discussions with VoiceBite personnel, the code at issue was not owned, licensed, or transferred to any third party. Further, this code, to the extent that it is the source of Purchaser Indemnified Parties' claims to which purchaser Indemnified Parties' are seeking indemnification is not capable of being "intellectual property" within the meaning of the VoiceBite merger agreement. The code at issue is merely scènes à faire or API integrations not subject to copyright or intellectual property protection. As the code is functional in nature, the code itself is merely elements dictated by functionality, and therefore cannot be subject to protection and thus are not subject to claims for indemnification based violations of Sections 5.7, 5.9, and 5.19.</p>
59, 65; Bullet 1	Plaintiff was "owner, inventor and/or author" of certain assigned intellectual property related to VoiceBite software (namely, a "comprehensive set of components of an AI voice ordering system") and that such intellectual property was not subject to "any dispute, claim, prior license or other agreement, assignment, lien or rights of any third party" or "any claim of any prior employer or third party client" of Plaintiff;	IPAA § 3	<p>3. Assignor Representations and Warranties. The Assignor represents and warrants to the Company that, to the best of Assignor's knowledge, (a) the Assignor is the owner, inventor and/or author of, and can grant exclusive right, title and interest in and to, each of the Assigned Assets transferred by the Assignor hereunder; (b) none of the Assigned Assets are subject to any dispute, claim, prior license or other agreement, assignment, lien or rights of any third party, or any other rights that might interfere with the Company's use, or exercise of ownership</p>

Exhibit F – Allegation – Source Map

			<p>of, any of the Assigned Assets; (c) the Assigned Assets are free of any claim of any prior employer or third party client of the Assignor or any school, university or other institution the Assignor attended; and (d) the Assignor is not aware of any claims by any third party to any rights of any kind in or to any of the Assigned Assets. The Assignor agrees to immediately notify the Company upon becoming aware of any such claims.</p> <p>*Note – “comprehensive set of components of an AI voice ordering system” is not defined here, but in Exhibit D-2,4, (notices of claim), it is asserted this comes from the Company Disclosure Schedule – which remains undisclosed and was not attached. Nowhere is the comprehensive set detailed.</p>
Id. Bullet 2	Plaintiff had provided to VoiceBite “all worldwide patents, patent applications, patent rights, copyrights, copyright registrations, moral rights, trade names, trademarks, service marks, domain names and registrations and/or applications for all of the foregoing, trade secrets, know-how, mask work rights, rights in trade dress and packaging, goodwill and all other intellectual property rights and proprietary rights relating in any way to the Technology, any Derivative or any Embodiment, whether arising under the laws of the United States of America or the laws of any other state, country or jurisdiction” related to VoiceBite’s technology;	IPAA § 1(e)	(e) “Intellectual Property Rights” means, collectively, all worldwide patents, patent applications, patent rights, copyrights, copyright registrations, moral rights, trade names, trademarks, service marks, domain names and registrations and/or applications for all of the foregoing, trade secrets, know-how, mask work rights, rights in trade dress and packaging, goodwill and all other intellectual property rights and proprietary rights relating in any way to the Technology, any Derivative or any Embodiment, whether arising under the laws of the United States of

Exhibit F – Allegation – Source Map

			America or the laws of any other state, country or jurisdiction.
Id. Bullet 3	That VoiceBite owned or had valid and enforceable right to use, all intellectual property used or proposed to be used in connection with its business;	MA § 5.9(c)	Qualified by Company Disclosure Schedule
Id. Bullet 4	That neither VoiceBite “nor any of its current or proposed products or services have infringed upon, misappropriated or are currently infringing upon, misappropriating or otherwise violating any Intellectual Property rights of any Person;”	MA § 5.9(f)	Qualified by Company Disclosure Schedule
Id. Bullet 5	That “no source code for any VoiceBite Proprietary Software has been delivered, licensed, or made available” to any person “who is not an employee” of VoiceBite;	MA § 5.9(h)	Qualified by Company Disclosure Schedule
Id. Bullet 6	That Plaintiff had not “omitted to state a material fact necessary in order to make the statements and information contained herein or therein, not misleading;” and	MA § 5.19	Neither this Agreement nor any agreement, attachment, schedule, exhibit, certificate or other statement delivered pursuant to this Agreement or in connection with the transactions contemplated hereby omits to state a material fact necessary in order to make the statements and information contained herein or therein, not misleading
Id. Bullet 7	That Plaintiff “is not aware of any information necessary to enable a prospective purchaser of VoiceBite” to “make an informed decision with respect to the purchase of such Company Shares or business that has not been expressly disclosed herein.”	Id.	The Company is not aware of any information necessary to enable a prospective purchaser of the Company Shares or the business of the Company and its Subsidiaries to make an informed decision with respect to the purchase of such Company Shares or business that has not been expressly disclosed herein.